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C O N F I D E N T I A L SECTION 01 OF 04 YEREVAN 000113

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SUBJECT: PRESIDENTIAL CANDIDATE PROFILE: ARTUR
BAGHDASSARIAN (RULE OF LAW PARTY)

Classified By: CDA Joseph Pennington, reasons 1.4 (b,d)

SUMMARY

1. (C) Ex-parliament speaker and 39-yr-old presidential hopeful Artur Baghdassarian of the centrist-opposition Orinats Yerkir (Rule of Law) party continues to run a consistent second in mission-sponsored polls. The only challenger with double digit poll numbers, the charismatic Baghdassarian also appears to be the second-best funded candidate based on his robust advertising campaign around the country, which PM Sargsian lopsidedly leads. Baghdassarian portrays himself as an economic problem-solver who will stamp out corruption, smash monopolies, help small businesses, cut taxes, and create new jobs. He also promises to create an Armenia truly committed to European values. The big question is whether Artur will stay in the race or back another candidate, most likely Levon Ter-Petrossian (LTP).
END SUMMARY.

THE CANDIDATE'S BIO

2. (SBU) CANDIDATE BIO: Artur Baghdassarian was born in Yerevan to a family originally from the northern Shirak (Gyumri) region (a relative Orinats Yerkir stronghold). He studied law at Yerevan State University, simultaneously working as a reporter at the "Avantgarde" newspaper where he eventually became deputy chief editor. In the early nineties, Baghdassarian got his political start in then-President Ter-Petrossian's Armenian National Movement (ANM), working in the Shengavit district of Yerevan, and was elected to the district council in 1993. He continued his education from 1994-1997 at the Kremlin-affiliated Academy of State Service in Russia.

3. (C) Upon his return from Moscow, he and his close associates founded the Orinats Yerkir (Rule of Law) party in 1998, which he was subsequently elected to lead. In 1999 he was elected to the parliament from the single-candidate district of Shengavit. In 2003, as Orinats Yerkir's top party list candidate, Baghdassarian became the youngest speaker ever to lead Armenia's parliament. Since that time, Baghdassarian has been dogged by persistent rumors that his rapid rise to political

prominence was fueled by quiet backing and funding from ruling party leaders anxious to create a tame alternative to Armenia's more strident opposition. As speaker, Baghdassarian's attempt to maintain his opposition credentials and enhance his public reputation by frequently criticizing his coalition partners in government eventually proved untenable.

¶4. (C) In May, 2006, he resigned the speaker's post, almost certainly pushed out from a ruling coalition that had lost patience with his desire to have it both ways. His party was instantly abandoned by its more mercenary parliamentarians, who jumped ship for other pro-governmental factions. In the May 2007 parliamentary elections, he was re-elected to parliament from Orinats Yerkir, the larger (by one seat) of two parliamentary opposition parties, though much diminished from its size while in government. Baghdassarian is married, has two children, and is now expecting his third child.

HIS POLLING NUMBERS

¶5. (SBU) The January 2008 IRI/Gallup polls continue to show Baghdassarian receiving a second place share of votes, and frontrunner Sargsian's distant, but next closest challenger. While his support dipped from 13 to 11 percent between December and January, he is still the only presidential candidate besides Sargsian -- whose numbers soared from 35 to 43 percent in the same time period -- who consistently receives double digit support.

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Baghdassarian also rates as the second most popular political leader in the race, after Sargsian, by a 64 to 53 percent margin on favorability. His Orinats Yerkir party saw its reputation as the political party that can solve the countries' problems improve over December-January, moving past the moribund, oligarch-led Prosperous Armenia to occupy second place behind Sargsian's ruling Republican Party.

¶6. (C) In a December 24 meeting with the CDA, Baghdassarian and his deputy, Mher Shahgeldian, said they didn't believe the mission's polls, and thought his real numbers were much higher than Sargsian's (ref A). Producing his own spreadsheet with polling data he had paid an unspecified firm to collect, Baghdassarian claimed he was polling 36 percent to Sargsian's 25, and LTP's 15 percent. He previewed what he publicly stated after the meeting, that any poll related to the Armenian Sociological Association -- which Gallup used to collect the data -- could not be trusted. He estimated that sixty percent of the poll's respondents were afraid to tell the truth, fearing retribution by authorities if they were found to be critical of them.

"NEW ARMENIA - OPEN YOUR EYES!"

¶7. (SBU) Under the campaign slogan, "New Armenia -- Open Your Eyes!" the youthful-looking Baghdassarian uses his campaign appearances to rail against the authorities' plunder of the country. Pledging to stamp out corruption and return the country's misappropriated wealth to its people, Baghdassarian's key economic promises are to double salaries and triple pensions, create up to 150,000

new jobs, reduce taxes, and crack down on tax evasion -- promises that his main rival Serzh Sargsian has sarcastically dismissed as the words of a want-to-be "magician." Dwelling on the continued appreciation of the national currency, the Armenian dram, Baghdassarian repeatedly charges that the authorities are intentionally keeping many Armenians in poverty in order to buy their votes. Baghdassarian's other key campaign pledge is to professionalize the army and end compulsory service.

18. (SBU) His detailed, technocratic platform (all 32 pages: long, turgid, and seldom-read manifestos being the norm) includes reducing poverty, mitigating the causes of emigration, and leveling the playing field for disadvantaged small and medium businesses. One of his controversial promises, more recently picked up by rival candidate LTP, is to help Armenian citizens recover the ruble-denominated savings they lost in state-run banks following independence in the early 1990s, another pledge Sargsian has dismissed as empty.

A WOMEN'S ADVOCATE

19. (SBU) With the help of Heghine Bisharian, his articulate, female campaign manager and prominent fellow parliamentarian, Baghdassarian has made a visible effort to court women voters in the election. Bisharian has been a prominent spokesperson for the campaign, appearing at least as often as the candidate. In a rare move among Armenia's national politicians, Baghdassarian sought out prospective female voters at a women's focus group meeting arranged by Bisharian on January 31 in Yerevan. Also, at his first major Yerevan rally held in Freedom Square on February 3, Baghdassarian was prominently joined on the dais by several women supporters, including Bisharian, who gave a long address -- virtually unknown in the strongly male-dominated arena of Armenian national politics. Baghdassarian has publicly pledged to name women to key positions in his government if he wins the election.

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PARTY STYLES ITSELF AS CHRISTIAN DEMOCRATS

110. (SBU) The party's main strongholds are in Yerevan and the northern region of Shirak whose capital, Gyumri, has never fully recovered from the massive December 1988 earthquake that claimed 25,000-50,000 lives. Orinats Yerkir is one of the few parties that appears to have functioning regional branches (ref C). The party claims to have a growing number of more than 100,000 members, a milestone that was reached when Baghdassarian was speaker of the parliament and the party had ministerial portfolios. Orinats Yerkir is a centrist party that, according to its co-founder Mher Shahgeldian, models itself after Christian Democratic parties in western Europe. It has close ties with European institutions, and Baghdassarian even secured funding from the French government to open a French-language European university in Yerevan, which is now in operation -- though the university has never secured Education Ministry accreditation.

¶11. (SBU) When accepting his party's endorsement for the presidential race in early December 2007, Baghdassarian explained why he and Orinats Yerkir could not support ex-president Levon Ter-Petrossian's rival bid for the presidency. At the time, he said he disagreed with LTP's characterization of Armenia as a "gangster state," a term the ex-president used in his first Yerevan rally on October 26. Baghdassarian also stated that he opposed LTP's approach of "totally dismantling the state and legal system." That said, the candidate has always nuanced his position by saying his party was ready to work with LTP and other opposition parties in ensuring a free and fair vote.

¶12. (C) As the campaign has progressed, however, Baghdassarian has softened his stance on a merger and taken up some of the same hard-hitting, anti-corruption themes as LTP. In his first major national rally on February 3 in Yerevan's Freedom Square (ref B), Baghdassarian hinted -- to chants of "Levon, Levon" -- at a possible merger of opposition forces, but implied he himself would be the figure behind whom LTP and other opposition leaders would unite. Since his rally, Baghdassarian has continued to publicly comment that there will be "regroupings in the opposition camp." He has acknowledged publicly and privately that he is in talks with LTP about joining forces, but disingenuously insists that either of the two men could be the one to lead a unified ticket.

(COMMENT: It is absurd to imagine LTP stepping aside in favor of the young Baghdassarian. However, the latter's strong rally turnout on Sunday may have strengthened Baghdassarian's ambition to go it alone -- or at least raised his bargaining price. END COMMENT)

¶13. (C) Although Baghdassarian has some business backers and party members, he apparently has not secured the backing of any of Armenia's truly wealthy and politically-connected oligarchs. And in spite of extensive negotiations, neither has his Orinats Yerkir party gained any support from other political forces or endorsements from any significant civic groups as both LTP and Sargsian -- and even bit-player Vazgen Manukian of the opposition National Democratic Union party -- have.

COMMENT

¶14. (C) Baghdassarian has a genuine following among the voters, as the polling data show. He has probably also benefited slightly from the fact that the authorities tend to view him as unthreatening: he and his party are not under nearly as comprehensive a media blackout as Levon Ter-Petrossian. In the early days of the campaign,

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ruling party figures would even try to deflect public and international interest in LTP's candidacy by saying "why aren't you paying more attention to Artur; his poll numbers are much higher?" Baghdassarian could also benefit -- as perhaps could Vahan Hovannissian, and some observers think even Vazgen Manukian -- from many voters' desire not to vote for either Serzh Sargsian or LTP. Baghdassarian might be seen as a

"safe" choice by those who are fearful about not voting for Sargsian, or as a "pox on both their houses" protest choice by those who dislike Sargsian but also still cannot forgive the former president or believe that a vote for LTP is a path to political violence.

¶15. (C) Baghdassarian's chances are weighed down by his baggage. As a "young man in a hurry" over the last five years, the unquestionably smart Baghdassarian has been too clever for his own good. His continual wheeling and dealing, posturing, and telling interlocutors whatever he thinks they want to hear -- and he has good instincts for what people want to hear -- have left him mistrusted by many in Armenia's politically-active class. Whereas the opposition believes (as do we) that Baghdassarian sold himself to Kocharian and/or Sargsian as the means to advancement in 2003, the ruling regime despises him for not staying bought. Baghdassarian's other major weakness is his lack of powerful backers to keep the ruling party's widely presumed "administrative resources" at bay as the votes are being tabulated and reported. A widespread public conviction is that it will still be a brass-knuckles and back-room business once the precinct doors close for the vote counts on election night. Those voters who may still nurture hope to turf out the current incumbents -- as opposed to making an empty gesture -- will most likely cast their ballots for LTP or Vahan Hovannissian.
PENNINGTON